



ENTERED

MAR 04 2022

HON. WENDE C. CROSS

Case No. A1905588

Judge Wende C. Cross
Magistrate Anita P. Berding

ENTRY ADOPTING
MAGISTRATE'S DECISION

JOHN KLOSTERMAN, et al.,

Defendants.

ENTERED

MAR - 4 2022

Pursuant to Civil Rule 53, the Court hereby adopts the Magistrate's Decision entered on December 13, 2021. The objection period has expired with no objections having been filed and no extensions having been granted.

Having considered the evidence presented, the Receiver has offered good and sufficient reasons for, and the best interest of the receivership estate will be served by, granting the Amended Sale Motion.

In light of the condition of the Properties and other circumstances, the Further Amended Sale Terms are reasonable, fair to all parties and are sufficiently calculated to maximize the return from the Properties to the receivership estate, taking into the account the cost to continue to hold and operate the Properties.

The issuance and immediate effectiveness of this Order as of the date hereof, including approval of the Further Revised Sale Terms, is supported by evidence of compelling business justifications and other circumstances demonstrating that the relief granted by this Decision is necessary to prevent immediate and irreparable harm to the parties.

EXHIBIT

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The Amended Sale Motion was served on all counsel of record and Defendants John Klosterman and his related purported entities¹ and Susan Klosterman who are the sole persons to have any interest in the Properties as found by the Court in the Order Adopting Magistrate's Decision on Plaintiff's Motion for Summary Judgment entered October 7, 2021 (the "Foreclosure Order") and also all other persons with a recorded or filed lien in any of Properties identified in the Judicial Commitment for All Parcels Listed in the Complaint filed November 28, 2019.

It is in the best interest of the receivership estate to sell all of the Properties.

The Receiver is authorized under the Receiver Order to sell any or all of the properties subject to the receivership. The judgment lien of Plaintiff City of Cincinnati (the "City") has been foreclosed pursuant to the Foreclosure Order. Sale by the Receiver of all of the Properties is therefore now authorized and appropriate under the Receiver Order and the Foreclosure Order.

The Further Revised Sale Terms, a copy of which is attached marked Exhibit 1, provides a clear, fair and efficient procedure for selling the Properties and is calculated to achieve the highest and best prices for the Properties.

Based upon the foregoing findings and the papers of record and docket sheet in this case, the Court orders as follows:

The Amended Sale Motion is granted and the Further Revised Sale Terms are approved.

¹ Being as follows: Boldface Properties, LLC; Emily Vots, LLC; Global Sanitation Systems, Inc.; Sedamsville Heritage Properties, LLC; Sedamsville Historical Society; and Virginia Williamsburg, LLC

The Receiver shall file and serve a report on the results of all sales of the Properties conducted pursuant to and in conformity with the requirements at R.C. 2735.04 (D)(10).

Having independently reviewed the evidence presented, this Court finds that the Receiver has offered good and sufficient reasons for, and the best interest of the receivership estate will be served by, granting the Amended Sale Motion. This Court has ascertained that the Magistrate properly determined the factual issues and appropriately applied the law;

Is hereby ADOPTED as an entry of the Court.

Furthermore, pursuant to R.C. 2735.04(D)(7)-(8), upon the date of this Entry, Defendant John Klosterman, any persons claiming an interest through the Defendant John Klosterman, or any other party possessing an equity of redemption as to any of the Properties, shall have no more than four (4) days from the date of this Entry, or the minimum amount of time allowed by law, whichever is less, to exercise any equity of redemption they have as to any of the Properties or have that equity of redemption forever barred.

SO ORDERED. This is a final order and there is no just cause for delay.

Wende C. Cross
Judge Wende C. Cross

MAGISTRATE
MAR 02 2022
HAS SEEN

EXHIBIT 1

revised
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Further Revised
Terms of
Receiver's Sale of
Klosterman Sedamsville Properties

The following are the terms for the sale of the properties under the control of Konza, LLC (the "Receiver") as the Receiver appointed by the Hamilton County Court of Common Pleas (the "Court") in Case Number A1905588, styled *City of Cincinnati, plaintiff v. John C. Klosterman, et al, defendants* (the "Case"). The properties are all located in the Sedamsville neighborhood of Cincinnati and consist of 23 buildings (collectively, the "Buildings") and 33 vacant lots (collectively, the "Vacant Lots") (the Buildings and the Vacant Lots, collectively, the "Properties" and individually, a "Property"). The addresses and parcel numbers of the Properties and current monthly rents (if any) are included in the Property List attached marked Exhibit A. Legal descriptions of the properties are included in the motion filed March 29, 2021 by Plaintiff City of Cincinnati (the "City") in the Case and in the supporting affidavits filed in the Case by the City that date and on June 3, 2021.

1. Listing. The Receiver will offer the Properties for sale through Jennifer Donathan of Keller Williams Advisors as the Receiver's listing realtor (the "Listing Realtor"). A listing price will be assigned to each of the Properties. The sale will be publicized nationally for a minimum of 30 days.

2. Offers. Offers to purchase will be received for 30 days (the "Offer Period"). Offers to purchase must be submitted by email to the Listing Realtor and to the Receiver and will not be disclosed by either of them prior to the close of the Offer Period to anyone other than (1) the City, (2) John Klosterman, and (3) if ordered by the Court, in camera to the Court and any person specified by the Court in a separate order.

3. Cash Sale. All sales will be cash except as may be otherwise agreed by the Receiver and the City.

4. Closing. Closing will be within fifteen (15) days after entry of an order by the Court approving the sale.

5. Right of First Refusal. In the event there is no acceptable offer on any specific one of the Properties, then the Receiver may sell a right of first refusal on each of those specific Properties.

6. Sales of Buildings and Vacant Separately and in Combination. Certain of the buildings will be offered only with and including adjacent vacant lots (collectively "Buildings with Vacant Lot(s)") and certain of the other vacant lots will be offered only with one or more other vacant lots (collectively "Grouped Vacant Lots"). Lists of the Buildings with Vacant Lot(s) and the Grouped Vacant Lots are attached marked, respectively, Exhibit B and Exhibit C. In addition, a list of vacant lots to be offered for sale separate from any building or any other vacant lot is attached marked Exhibit D (collectively, "Single Vacant Lots").

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revision

7. Sale of Church. The church at 637 Steiner (the "Church") will be sold subject to the following conditions:

- a. After the closing on the sale, the purchaser must (1) within 30 days apply to the City for a Vacated Building Maintenance License (a "VBML") (2) within 180 days obtain the VBML (3) within 365 days prepare plans and specifications for the renovation and reuse of the building and apply for all required building permits and a Certificate of Occupancy and (4) within 730 days completed the renovation and obtained a Certificate of Occupancy. Any of the foregoing deadlines may be extended for events beyond the purchaser's control, such as delays caused by force majeure events or delays caused by the City.
- b. At the closing the purchaser must escrow \$50,000 (which will not to be credited against the purchase price) to secure the performance of the purchaser's obligations set forth in Section 10.a. Such escrow may be drawn upon by the purchaser by submitting invoices to the escrow agent for labor and materials incurred for renovation of the Church. The escrow agent will be agreed upon by the Receiver and the purchaser and if there is no agreement then the escrow agent will be designated by the City. The escrow fee will be paid 75% by the Receiver and 25% by the purchaser.
- c. In the event the purchaser fails to obtain a Certificate of Occupancy within two years (or as extended as provided in Section 10.a, above), then the title to the Church shall revert to an entity formed to hold title to the Properties pending liquidation and the purchaser shall have a lien on the Church in an amount equal to the funds expended by the purchaser to improve the Church as agreed by the Receiver and the City or provided by order of the Court.

8. Sale of Church and Rectory to Single Purchaser. In the event that an offer is made by a single offeror for both the church and the rectory at 639 Steiner (the "Rectory") for the total amount of \$300,000 or more, then that offer will be considered by the Receiver to be the highest offer for both the Church and Rectory regardless of the amount of any separate offer for the Church or the Rectory separately by any other offeror.

9. Bulk Sale and Modified Bulk Sale. All of the Properties will be offered for sale separately and also in bulk, first including the Church and Rectory and, second, also in bulk but excluding the Church and the Rectory. In either event, a bulk sale offer will not be accepted without payment of a deposit of \$10,000.00.

10. Inspections. Unoccupied buildings will be available for inspection at specified times and on three days during the Offer Period and announced prior to commencement of the Offer Period.

11. Offer Form. The form to be used to make an offer is attached marked Exhibit E.

12. Topping Bids. At the conclusion of the Offer Period all offerors will be notified of the highest offer for each of the Properties on which they made an offer. All offerors on each of

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revision

the Properties will then have five calendar days after such notification is sent to make an additional offer.

13. Sale of Lots. In the event no offer is accepted by the Receiver on any set of Grouped Vacant Lots or on any Single Vacant Lot, then the Grouped Vacant Lots and the Single Vacant Lots without an accepted offer will be sold to the winning offeror of the building set forth in the list marked Exhibit F (collectively, the "Added Lots") or as the Receiver may otherwise specify after the end of the Offer Period. The sale of the Added Lots shall be a requirement for the sale of the building to the winning offeror on the Building.

14. Back Up Offers. In the event that the sale of any of the Properties with an offer accepted by the Receiver does not close by the deadline stated above, then the Receiver may declare that acceptance of the offer is rescinded and thereupon the offeror shall have no right to purchase the Property and the Receiver may accept another offer previously made and the offeror of that other previous offer will be obliged to purchase the Property.

15. Current Building Code Violations. All pending Cincinnati Building Code violations for each of the buildings, to the best of the Receiver's knowledge, are listed in the attached Building Code Violation List marked Exhibit G.

16. City Approval of Purchasers. All purchasers of all of the Properties must be approved by the City and that approval is primarily conditioned on the absence of any violation of the Cincinnati Building Code, either open or closed, on property owned or managed by the prospective purchaser or any person or entity in which the prospective purchaser has, or had, any interest, direct or indirect.

17. Purchase Contracts. Purchase contracts for all accepted offers will be prepared by the Receiver.

18. Title Work. All title work in connection with the closing on all sales of all of the Properties will be performed by one title agent chosen by the Receiver and approved by the City.

19. Receiver Goals. The Receiver seeks to recover the highest possible price for all of the Properties and to sell all of the Properties as soon as possible. The Receiver will select the winning offer based on those two goals.

20. Sale Free and Clear/Disbursement of Proceeds. All sales of all of the Properties will be free and clear of all claims, liens, mortgages and encumbrances of any kind or nature which could be removed by payment of money. Sale proceeds will be aggregated and paid pursuant to subsequent order of the Court, first for the costs of sale and closing including a reasonable commission to the Listing Realtor, second to the Treasurer of Hamilton County, Ohio (the "Treasurer") for unpaid real estate taxes and assessments on all of the Properties sold, third to Warsaw Federal Savings and Loan Association ("Warsaw Federal") on its mortgage claims on the Properties sold, fourth to the Receiver for fees and expenses approved by the Court, fifth to the City toward its judgment lien and for fees, fines and other amounts due by defendants to the City, and last the remaining balance to John Klosterman. The foregoing notwithstanding, in the event of the sale of any of the Properties subject to a mortgage to Warsaw Federal, to the extent the sale price is for, and only for, a specific one of the mortgaged Properties (and not including

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any of the other Properties), then those sale proceeds shall be paid first to the Treasurer for unpaid real estate taxes and assessments on that specific one of the Properties, second to Warsaw Federal on its mortgage, third to the Receiver for fees and expenses approved by the Court, fourth to the City toward its judgment lien and for fees, fines and other amounts due by defendants to the City, and last the remaining balance to John Klosterman. In the further event of any sale of any of the Properties on which there is not a mortgage to Warsaw Federal, no part of any of the sale proceeds will be paid to Warsaw Federal.

21. Sale As Is, Where Is. The sale of the Properties is made without representation or warranty of any kind or nature other than expressly set forth in statement of sale terms sheet and any subsequent notices and or instructions made in writing by the Receiver.

10/15/21
revisionProperty ListBuildings

this list number	tract #	building street address	building parcel number(s)	current monthly rent
1	58	628 Delhi	152-0042-0058	
2	11	632 Delhi	153-0002-0062	
3	19	636 Delhi	153-0002-0064	
4	14A	667 Delhi	153-0002-0185	
5	1	671-673 Delhi	153-0002-0094	
6	2	679 Delhi	153-0002-0092	
7	20	700 Delhi	153-0002-0037	
8	12	701 Delhi	153-0002-0091	
9	15	703 Delhi	153-0002-0090	
10	17	705 Delhi	153-0002-0089	
11	4	742 Delhi	153-0003-0027	
12	6	753 Delhi	153-0003-0063	
13	5	793 Delhi	153-0003-0048	
14	3	794 Delhi	152-0039-0150	
15	21	685 Halsey	155-0048-0001	
16	16	649 Sedam	153-0002-0140	
17	13	659 Sedam	153-0002-0145	
18	42	637 Steiner	152-0042-0059 152-0042-0061 152-0042-0063	
19	10A	638 Steiner	152-0042-0044	
20	9A+9B	639 Steiner	152-0042-0055 152-0042-0057	
21	59	649 Steiner	153-0002-0057	
22	7A+7B	652 Steiner	153-0002-0014 153-0002-0198	
23	18A+18B	654 Steiner	153-0002-0013 153-0002-0199	
			total	

EXHIBIT A

10/15/21
revisionProperty ListVacant Lots

this list #	tract #	address	parcel #(s)
1	40	709 Delhi	153-0002-0086
2	39	714 Delhi	153-0002-0082
3	32	728 Delhi	153-0003-0040
4	31	730 Delhi	153-0003-0038
5	30	732 Delhi	153-0003-0036
6	38	733 Delhi	153-0003-0073
7	37	735 Delhi	153-0003-0072
8	36	737 Delhi	153-0003-0070
9	46	755 Delhi	153-0003-0062
10	29	756 Delhi	153-0003-0008
11	45	757 Delhi	153-0003-0061
12	43	759 Delhi	153-0003-0060
13	28	762 Delhi	153-0003-0006
14	27	764 Delhi	153-0003-0004
15	26	767 Delhi	153-0003-0058
16	53	769 Delhi	153-0003-0056
17	35	773 Delhi	153-0003-0055
18	34	787 Delhi	153-0003-0052
19	33	789 Delhi	153-0003-0050
20	56	679 Femland	153-0002-0154
21	57	677 Halsey	153-0002-0155
22	14B	646 Sedam	153-0002-0182
23	24	739 Sedam	153-0003-0089
24	48	624 Steiner	152-0042-0032
25	50	624 Steiner	152-0042-0166
26	41	626 Steiner	152-0042-0168
27	55	626 Steiner	152-0042-0034
28	10D	640 Steiner	152-0042-0172
29	44	712 Steiner	152-0038-0011
30	26	767 Steiner	153-0003-0003
31	49	924 Striker	152-0042-0031
32	10B	938 Striker	152-0042-0043
33	10C	940 Striker	152-0042-0045

EXHIBIT A (continued)

10/15/21
revisionBuildings with Vacant Lots

this list number	tract #	building street address	building parcel number(s)	contiguous vacant lot(s) tract #(s) and address(es)	contiguous vacant lot(s) parcel number(s)	list price
1	14A	667 Delhi	153-0002-0185	14B/646 Sedam	153-0002-0182	
2	15	703 Delhi	153-0002-0090	52/702 Sedam	153-0002-0196	
3	4	742 Delhi	153-0003-0027	23/740 Delhi	153-0003-0028	
4	6	753 Delhi	153-0003-0063	47/751 Delhi	153-0003-0064	
5	42	637 Steiner	152-0042-0059 152-0042-0061 152-0042-0063	51/621 Steiner 52/619 Steiner	152-0042-0067 152-0042-0069	
6	10A	638 Steiner	152-0042-0044	10B/938 Striker 10C/940 Striker 10D/640 Steiner	152-0042-0043 152-0042-0045 152-0042-0172	

EXHIBIT B

10/15/21
revisionGrouped Vacant Lots

Group #	vacant lot full list #	tract #	address	parcel #(s)	description	list price
1	3	32	728 Delhi	153-0003-0040		
	4	31	730 Delhi	153-0003-0038	contiguous to north line of 728	
	5	30	732 Delhi	153-0003-0036	contiguous to north line of 730	
2	6	38	733 Delhi	153-0003-0073	contiguous to south line of 735	
	7	37	735 Delhi	153-0003-0072	next south of 5 door garage on Sedam	
	8	36	737 Delhi	153-0003-0070	contiguous to line of 735; north half of 5 door garage on Sedam	
				153-0003-0071	south half of 5 door garage on Sedam	
3	11	46	755 Delhi	153-0003-0062		
	13	45	757 Delhi	153-0003-0061	contiguous to north line of 755	
	14	43	759 Delhi	153-0003-0060	contiguous to north line of 757	
4	12	29	756 Delhi	153-0003-0008		
	15	28	762 Delhi	153-0003-0006	contiguous to north line of 756	
	16	27	764 Delhi	153-0003-0004	contiguous to north line of 762	
5	18	53	769 Delhi	153-0003-0056	contiguous to north line of 761 – 0058	
	19	35	773 Delhi	153-0003-0055	contiguous to north line of 769	
6	22	56	679 Fernland	153-0002-0154	at southeast side of curve Halsey & Fernland	
	23	57	677 Halsey	153-0002-0155	at southeast side of curve Halsey & Fernland	
7	26	48	624 Steiner	152-0042-0032	contiguous to west line of 624 Steiner – 0166	
	27	50	624 Steiner	152-0042-0166	contiguous to west line of 924 Striker – 0031	
	32	49	924 Striker	152-0042-0031	contiguous to east line of 624 Steiner – 0166	
	28	41	626 Steiner	152-0042-0168	contiguous to east line of 626 Steiner – 0034	
	29	55	626 Steiner	152-0042-0034	contiguous to west line of 626 Steiner – 0168	

EXHIBIT C

10/15/21
revisionSingle Vacant Lots

this list #	vacant lot full list #	tract #	address	parcel #(s)	description	list price
1	1	40	709 Delhi	153-0002-0086	contiguous to north line of 707 Delhi all way to Sedam	
2	2	39	714 Delhi	153-0002-0082	contiguous to south line of building at 716 Delhi - 0083	
3	15	26	767 Delhi	153-0003-0058	contiguous to north line of 761 Delhi - 0059	
4	18	34	787 Delhi	153-0003-0052	south of building at 787 Delhi	
5	19	33	789 Delhi	153-0003-0050	north of building at 787 Delhi	
6	22	24	739 Sedam	153-0003-0089	contiguous to north line of 737 Sedam	
7	27	44	712 Steiner	152-0038-0011	east side south of 13 houses	
8	28	26	767 Steiner	153-0003-0003	west side north of 13 houses across street	

EXHIBIT D

10/15/21
revision

**Offer to Purchase Property at
Receiver's Sale of
Klosterman Sedamsville Properties**

1. I have read the Revised Terms of Receiver's Sale of Klosterman Sedamsville Properties and this offer is made pursuant to the terms stated therein.

2. My name and contact information are as follows

name _____

phone _____

email _____

mailing address: _____

3. I offer to purchase the following for the price stated next to the address:

Buildings

item	address	parcel number(s)	list price	offer price
1	628 Delhi	152-0042-0058		
2	632 Delhi	153-0002-0062		
3	636 Delhi	153-0002-0064		
4	671-673 Delhi	153-0002-0094		
5	679 Delhi	153-0002-0092		
6	700 Delhi	153-0002-0037		
7	701 Delhi	153-0002-0091		
8	705 Delhi	153-0002-0089		
9	793 Delhi	153-0003-0048		
10	794 Delhi	152-0039-0150		
11	685 Halsey	155-0048-0001		
12	649 Sedam	153-0002-0140		
13	659 Sedam	153-0002-0145		
14	637 Steiner	152-0042-0059 152-0042-0061 152-0042-0063		
15	639 Steiner	152-0042-0055 152-0042-0057		
16	649 Steiner	153-0002-0057		
17	652 Steiner	153-0002-0014 153-0002-0198		
18	654 Steiner	153-0002-0013 153-0002-0199		

EXHIBIT E

10/15/21
revisionBuildings with Vacant Lots

	address	building parcel number(s)	contiguous vacant lot(s) tract #(s) address(es)	contiguous vacant lot(s) parcel number(s)	list price	offer price
18	667 Delhi	153-0002-0185	14B/646 Sedam	153-0002-0182		
19	703 Delhi	153-0002-0090	52/702 Sedam	153-0002-0196		
20	742 Delhi	153-0003-0027	23/740 Delhi	153-0003-0028		
21	753 Delhi	153-0003-0063	47/751 Delhi	153-0003-0064		
22	637 Steiner	152-0042-0059 152-0042-0061 152-0042-0063	51/621 Steiner 52/619 Steiner	152-0042-0067 152-0042-0069		
23	638 Steiner	152-0042-0044	10B/938 Striker 10C/940 Striker 10D/640 Steiner	152-0042-0043 152-0042-0045 152-0042-0172		

Grouped Vacant Lots

	address	parcel #(s)	list price	offer price
36	728 Delhi	153-0003-0040		
	730 Delhi	153-0003-0038		
	732 Delhi	153-0003-0036		
37	733 Delhi	153-0003-0073		
	735 Delhi	153-0003-0072		
	737 Delhi	153-0003-0070		
		153-0003-0071		
38	755 Delhi	153-0003-0062		
	757 Delhi	153-0003-0061		
	759 Delhi	153-0003-0060		
39	756 Delhi	153-0003-0008		
	762 Delhi	153-0003-0006		
	764 Delhi	153-0003-0004		
40	769 Delhi	153-0003-0056		
	773 Delhi	153-0003-0055		
41	679 Fernland	153-0002-0154		
	677 Halsey	153-0002-0155		
42	624 Steiner	152-0042-0032		
	624 Steiner	152-0042-0166		
	924 Striker	152-0042-0031		
	626 Steiner	152-0042-0168		
	626 Steiner	152-0042-0034		

EXHIBIT E (continued)

10/15/21
revisionVacant Lots

	address	parcel number(s)	list price	offer price
24	709 Delhi	153-0002-0086		
25	714 Delhi	153-0002-0082		
26	767 Delhi	153-0003-0058		
27	787 Delhi	153-0003-0052		
28	789 Delhi	153-0003-0050		
29	646 Sedam	153-0002-0182		
30	739 Sedam	153-0003-0089		
31	640 Steiner	152-0042-0172		
32	712 Steiner	152-0038-0011		
33	767 Steiner	153-0003-0003		

3. I have emailed this offer to Konza LLC, Receiver at richard.boydston@dentons.com and to Jennifer Donathan at jennifer.donathan@kwcommercial.com on _____, 2021.

signature

print signature

EXHIBIT E continued

10/11/21
revisionAdded Lots

Grouped Vacant Lots			Building	
Group #	address	parcel # (s)	address	parcel #
1	728 Delhi 730 Delhi 732 Delhi	153-0003-0040 153-0003-0038 153-0003-0036	742 Delhi	153-0003-0027
2	733 Delhi 735 Delhi 737 Delhi	153-0003-0073 153-0003-0072 153-0003-0070	742 Delhi	153-0003-0027
3	755 Delhi 757 Delhi 759 Delhi	153-0003-0062 153-0003-0061 153-0003-0060	794 Delhi	152-0039-0150
4	756 Delhi 762 Delhi 764 Delhi	153-0003-0008 153-0003-0006 153-0003-0004	794 Delhi	152-0039-0150
5	769 Delhi 773 Delhi	153-0003-0056 153-0003-0055	794 Delhi	152-0039-0150
6	679 Fernland 677 Halsey	153-0002-0154 153-0002-0155	685 Halsey	155-0048-0001
7	624 Steiner 624 Steiner 624 Steiner 626 Steiner 626 Steiner	152-0042-0032 152-0042-0166 152-0042-0031 152-0042-0168 152-0042-0034	637 Steiner	152-0042-0059 152-0042-0061 152-0042-0063

Vacant Lots		Building	
addresses	parcel #	address	parcel #
709 Delhi	153-0002-0086	705 Delhi	153-0002-0089
714 Delhi	153-0002-0082	705 Delhi	153-0002-0089
767 Delhi	153-0003-0058	794 Delhi	152-0039-0150
787 Delhi	153-0003-0052	794 Delhi	152-0039-0150
789 Delhi	153-0003-0050	794 Delhi	152-0039-0150
739 Sedam	153-0003-0089	793 Delhi	153-0003-0048
712 Steiner	152-0038-0011	654 Steiner	153-0002-0013 153-0002-0199
767 Steiner	153-0003-0003	794 Delhi	152-0039-0150

EXHIBIT F

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revision

Building Code Violation List

list #	address	violation number	description
1.			
2.			
3.			
4.			
5.			
6.			
7.			

EXHIBIT G